

CHINA WEEKLY

REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

A second look at

THE WARD CASE



Latinization of

CHINA'S LANGUAGE



American recognition

HOW MUCH LONGER?

JANUARY 14, 1950

JMP 2,500

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

CHUNGKING MASSACRE

To The Editor:

I read your article "Chungking Mass Murders" in the January 7 issue of the Review and have already mailed my copy to a friend in America with the request that he give it as wide circulation there among friends of China as possible.

We had, of course, heard rumors and reports before of the terrible killings perpetrated by the KMT prior to the liberation of the city by the PLA. However, the Review provided the first picture proof of this awful tragedy.

We have received several reports from friends in Chungking telling of those last terrible days. One story, recounting the near escape of several condemned men and of the actual escape of one, may be of interest to your readers.

On November 28, a number of prisoners were marched out of their cells to the "execution ground" where they were machine-gunned. Six miraculously escaped death, being wounded not at all or only superficially. They were overlooked by the executioners and, as they lay silent, were left among the heap of bodies. That night they attempted to escape, crawling and dragging themselves along the ground. However, they were detected at the fence as they tried to climb through.

The guards opened fire and began a search. During the course of this, all of the prisoners but one fell into a large country latrine where the farmers collect refuse in a pond for later use as fertilizer, and were drowned. So far as is known, this man is the sole survivor of his camp.

S. P. B.

Shanghai
January 10, 1950

DEATH IN CHUNGKING

To The Editor:

I think many readers will be interested in the translation from the Commercial Daily News in Chungking, December 4, of a statement issued by the Relief Association of the Chungking No. 10 District giving an eye-witness account of the Kuomintang atrocities there. The article is as follows:

On November 29, the Second Division of the Communications Garrison, a special service corps of the Chiang bandits, surrounded the No. 21 arsenal and forced the defense corps of the arsenal to leave the premises. They then made the director and high officials of the arsenal sign transfer papers against their will in order to carry out their wanton destruction.

The news caused great anxiety to the innocent residents in the neighborhood, particularly regarding the explosive vault at Liuchiatai. In forlorn hope, several thousand old people, women and children went to kneel before the Fascist accomplices, begging with tears in their eyes that the destruction of the explosive vault be spared.

The bandits "generously" accepted the appeal and permitted the people's own defense corps to guard the vault. The people returned to their homes with renewed heart and the thought that Chiang Kai-shek's bandit army still had a little bit of human kindness.

The same evening, however, several hundred bandit soldiers of the garrison, armed to the teeth, came down upon the people's defense corps, who were immediately expelled. The bandits entered the vault for a few minutes and left after locking the vault. Parting, they

wisecracked to the self-defense corps, Comrades, go slowly!"

The self-defense corps sensed that there was something wrong and set off to inform the residents of the neighborhood, but already it was too late. The huge explosion came immediately, moving two nearby hills and levelling all houses from the first to the seventh pao in the No. 10 district, with serious damage to the No. 8 and No. 11 districts. All people in the demolished houses were killed and it has been impossible to ascertain the number of victims. Ruins, broken limbs, blood, flesh formed the inhuman scene that met the eyes.

GEOFFREY I. C. SHEN

Shanghai
January 9, 1950

YALE IN CHINA

To The Editor:

As the duly appointed representative of the Yale in China Association in China, I am writing to you in regard to the article, "Anti-Communist China" Committee formed in US," appearing in your December 17 issue.

I fear that a very unjust, unfair and extremely unfortunate misstatement has been made that has caused a great deal of anxiety and misunderstanding among many people here in Changsha. This has been caused by the listing of one of the members of the above "Committee," Dr. W. R. Wheeler, as a "secretary of Yale in China." This is particularly noticeable as subsequently the word "former" is used in designating Dr. Wheeler's other former connections. As a matter of fact, Dr. Wheeler is not "secretary of Yale in China." His services in that capacity officially terminated July 15, 1949, which is more than five months ago.

As stated in your magazine, the article referred to is: "according to a recent report in the New York World-Telegram received here" (Shanghai). Unfortunately the date of that particular issue of the World-Telegram is not given, nor is there any indication as to when the above "Committee" was organized. Presumably the issue of the World-Telegram referred to is more "recent" than July 15, 1949; and the formation of the above so-called "Committee" most likely occurred since that date. In which case, Dr. Wheeler was certainly not then "secretary of Yale in China."

We naturally realize that it is impossible for any publication to be 100 percent accurate at all times; but in this particular instance what is believed to have been a misstatement has caused a great deal of misunderstanding and resentment here in China.

For more than 40 years, the Yale in China Association has been cooperating in medical and educational activities in China in the most happy and friendly relationships. So on behalf of literally thousands of Yale in China Association friends, both Chinese and American, in China and in America, I respectfully request your publication to help clarify the situation.

If the "Anti-Communist China" Committee was formed after July 15, 1949, then of course Dr. Wheeler was not "secretary of Yale in China" when he became a member of that Committee. Or, even if the organization existed prior to July 15, 1949, but Dr. Wheeler joined after July 15, 1949 he would not have been a "secretary of Yale in China" at the time of joining the above mentioned Committee. If you have information covering both, or either one of these points, we would greatly appreciate your kind help by your publishing the facts.

We realize, of course, that any statements or actions of any one or more individuals, as individuals, are their own prerogative, and we are certain that Dr. Wheeler in joining the above Committee in no way represented the Yale in China Association, as such, whether he was or was not at the time of joining the Committee "secretary of Yale in China Association." But for the peace of mind of thousands of friends, alumni, students and staff members of all Hsiangyang, Huachung and Yali and Yale in China Association organizations,

(Continued on Page 114)

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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THE CHINA WEEKLY REVIEW

報論評氏勒密

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Vol. 116 Shanghai, Saturday, January 14, 1950 No. 7

HOW MUCH LONGER?

NOW that Britain has recognized the new government of China, how much longer can the United States hold out?

With the passing of each week the Kuomintang becomes more and more of a fiction insofar as its existence as a government is concerned, and thus there is less and less excuse to be found for America's continuing to accord it recognition as the functioning government of China.

Only Tibet, plus a few scattered pockets, remains of the KMT's mainland holdings. Actually, this province has been only nominally controlled by the Nationalists, with actual administration in the hands of autonomous local groups. There isn't even a KMT representative in Lhasa now. With the forthcoming occupation of Tibet by the PLA, this borderland province will come under the control of the country's central government for the first time in many decades. Taiwan, it is true, is still left to the Nationalists, but the old regime's grip is most tenuous and is generally predicted to be short lived.

Since the main criterion by which a regime is judged worthy or unworthy of recognition is that it be actually in control of the country which it claims to rule, there can be no doubt as to which regime is the real government of China. With the civil war fast drawing to a close and with the new government already turning to matters of reconstruction and construction, there is nothing to be gained and a great deal to be lost by this hold-out policy of the Truman administration.

The longer recognition is delayed, the longer it will be before normal commercial and other relations can be resumed. While delay may hamper China, it certainly is not in the best interests, either immediate or long term, of the American people.

WITH Britain's recognition of the Chinese government, the position of the United States government becomes even more indefensible. The foolishness of the Washington adminis-

tration's China policy is now evident to all. Not only has the administration held the United States up to ridicule, but it has isolated it insofar as foreign relations with the new China are concerned. Even its "partner" in the anti-Russian, anti-communist crusade has forsaken it and, despite the obvious displeasure of Truman and Acheson, has acted on the basis of the realities of the situation in China.

Acheson continues to deny that the new government of China is in full control of the situation. The Kuomintang, he says, is still the "legal" government of this country. The new government, he says, is not based on the support of the people, but rather is a foreign (read Russian) despotism inflicted upon the Chinese people. While Acheson is thus trying to "explain" the American government's hostility to the new regime, the British Foreign Office has announced that its decision to recognize the new government is based on acknowledgement of the realities of the situation. The Peking government now fulfills the conditions required for recognition in international law of being a stable authority with definite frontiers and in actual control of virtually the whole of the territory, a British Foreign Office spokesman is credited with stating.

Further, while Acheson is talking about the necessity for the new government to show itself disposed to accept the international obligations (presumably including the astronomical debts owed the United States) of the former regime, a press report from London on January 6 stated: "The recognition conveyed by the British consul-general in Peking to the Chinese foreign minister Mr. Chou En-lai, is unconditional. The note does not contain any of the phrases normally employed 20 years ago, calling on the newly recognized government to fulfil its international obligations."

WE do not for one minute believe that Acheson and Truman are really serious when they say that they "doubt" that the new government in China is suitable for recognition. All of their talk about "legitimacy" and "constitutionalism," we believe, is merely a smokescreen to hide the fact that they are committing the United States to an anti-China policy. In their own misguided way, they apparently believe that by adopting a policy of hostility, by refusing to grant recognition, they can hinder the work of consolidation by the new Peking government.

There is no other plausible explanation. Besides such a policy would be in keeping with the world-wide anti-communist crusade currently financed by money extracted from the pockets of the American taxpayers. Silly as it may seem, and despite its obvious lack of logic, the Truman administration has clasped the hands of every anti-communist regime it has been able to find, no matter how dirty or incompetent such hands may be.

However, such a policy cannot go on forever. In the first place, American money cannot

keep rotten governments in office. The China experience has shown this to be true. Secondly, there is a limit to what the American economy can stand.

While Truman, in his speech to Congress last week, assured the American people that the "state of the union was good," he failed to tell the people that despite the enormous pump priming schemes of his administration, which has brought the national debt to a staggering US\$257,000,000,000, the country's economy continues to slip downhill month after month. Although billions are being spent on Marshall Plan aid, on a huge internal rearmament program and on the North Atlantic Military Pact against communism, unemployment is growing, international trade is lessening and the wheels of industry are slowing down.

Labor union estimates place the figure of partially and totally unemployed at more than 10,000,000. Official Department of Commerce figures show that US exports—which have been falling almost each month—reached the year's low point in November, dropping to US\$835,500,000, a decrease of US\$13,600,000 from the previous month. Freight car loadings—always a barometer of a nation's economy—for 1949 were down 15.9 percent from 1948, hitting a new low for the last 10 years.

Despite Truman's assurances that all is well, the signs point in one direction: Economic recession.

The administration's policy of "penalizing" countries which "go communist" by imposing restrictions upon their trade with the US and, in the case of China, withholding recognition, is beginning to backfire. Internally, the American people are being made to suffer through a growing dislocation in the country's economy. Internationally, continuance of such a policy can only lead to the isolation of the United States. Britain's recognition of the new Chinese government in the face of ill-concealed opposition from Washington is a sign that America cannot call the tune, even for such a close and dependent ally, when such a tune continues to ignore the realities of a situation.

The Truman administration's policy toward China is negative and destructive. Withholding of recognition until doomsday will not bring Chiang Kai-shek back to Nanking, nor will it force the new government to pay all of Chiang's bad debts, nor will it prevent the new regime from taking over China's seat—and veto power—on the United Nations Security Council, nor will it prevent ultimate recognition of China by the other governments of the world.

It will, however, seriously injure the traditional friendship between the Chinese and American peoples. It may delay to some extent China's economic progress, and it will certainly add to the already serious and growing economic problems confronting the American people.

25 Years Ago In *The China Weekly Review*

Two Lines Of Action

January 10, 1925

Without having any information as to what is actually taking place, it is quite possible now that the government in control of Peking in cooperation with Dr. Sun is debating two possible lines of action: One is whether it would be better to follow the course mapped out at the Washington Conference, a course of working with the Powers in a gradual acquisition of national sovereignty and carrying with it the promise of foreign financial support, or, a radical policy suggested in Dr. Sun's oft repeated declaration of a complete abrogation of foreign rights and combination with Soviet Russia, which would mean no foreign loans and in all probability a breaking off of diplomatic relations altogether between China and the Treaty Powers.

Japanese In China's Cotton Industry

The rapid progress of installation of new cotton mills in China has taken place by leaps and bounds since 1917. Before this period the total spindlage in the country was less than 1,000,000 and since that time up to the present, it has been increased to about 2,500,000 in operation and about 3,500,000, including those under construction and planning. These figures are the spindlage in China, but they are not the Chinese owned figures, as a greater percentage belongs to the Japanese. This article is then to show how important a role the latter are playing in the cotton industry in this country. Out of the total spindlage, it is reported they own more than 1,250,000, and out of a total of 1,700,000 operating in Shanghai, they own more than 700,000. The Japanese claim that their holdings in Chinese mills are considerable though indivisible, in forms of long mortgages or in some sort of secret agreements. Upon recent investigation, it is surprising to learn that more than 300,000 spindles nominally under the Chinese management are now quietly passing into the hands of the Japanese openly or secretly. During the long business depression of the past years, many Chinese owned mills have been forced to seek loans or even invite Japanese to become partners, which naturally and eventually will make them sole owners of the business in time to come. It is a great pity that the cotton mill industry, once offering splendid opportunity and inducement, now shamefully is falling in the hands of foreigners or at least under their deep influence.

From: "Japanese Influences in China's Cotton Industry" by E. Y. Lee

10 Years Ago In *The China Weekly Review*

Dr. Bethune's Work

January 13, 1940

Details of the death of Dr. Norman Bethune, a Canadian, in North Shansi, and his activities as a volunteer physician with the Chinese Army, were disclosed this week by official sources in Chungking.

Dr. Bethune, who came from Montreal, died on November 13, after he had developed bloodpoisoning when he cut his finger while performing an operation on a wounded Chinese guerilla.

Despite all efforts to save his life the doctor, who was known among Chinese as "the benefactor of the guerillas" drew his last breath in the midst of a group of colleagues in a guerilla district behind Japanese lines in north Shansi.

Just before his death, Dr. Bethune was planning to leave China and conduct a lecture tour and fund-raising campaign in the United States, to aid medical relief for Chinese forces in Shansi.

Dr. Bethune saw service in the World War and was among the Canadian volunteers for medical work in Spain. He came to China in the summer of 1937, soon after the outbreak of Sino-Japanese hostilities.

He operated on an average of 130 patients a month, sometimes performing 10 to 15 operations daily. From April to July, 1939, he performed 315 operations, walked 500 miles, established first-aid dressing stations, organized two medical units, conducted a series of technical lectures and formed a model hospital.

Japanese Place Rice Orders In Thailand

Two Japanese firms, the Mitsui Bussan Kaisha and the Mitsubishi Shoji Kaisha, have placed orders for 500,000 tons of Thailand rice, according to a Havas report from Bangkok. Delivery of the rice is scheduled for this year and will account for nearly one-third of Thailand's total rice exports, which are expected to total 1,700,000 tons in 1940.

THE WARD CASE

FEW recent events in China have received so much attention in the United States as the case of Angus Ward, the recently deported American consul-general in Mukden. President Truman called his arrest on charges of beating a Chinese employee an outrage. Secretary of State Acheson declared the United States could not accord recognition to the new People's Government of China while consular officials were subjected to such treatment. Official notes were sent to 30 countries asking them to intervene. The American Legion wanted to send "the armed forces" to the rescue.

American newspapers were equally vehement in their protests. The *New York Times* deplored the fact that "the old decencies of diplomatic intercourse no longer hold" (forgetting how often, in China, the "old diplomacy" was carried out by an American or British gunboat) and declared that "the Chinese Communists are using the same tactics employed by the Japanese when they made the British disrobe at Tientsin to demonstrate their power and their contempt for the Westerners."

"Trumped Up" Case

In all this discussion there has been little inclination to question, whether or not there were any grounds to the charges levelled against Mr. Ward. Rather, the assumption has been that the case was "trumped up" as a means of trying to force US recognition, or to make the US "lose face," or simply because of Russian pressure.

This line of reasoning, however comforting from the American point of view, leaves certain questions unanswered. Why is it that the authorities in Mukden confined their attention to the American consulate alone? Why didn't they try to force French and British recognition, too, or demonstrate their "contempt" for these other Westerners? Why is it that no other American consulate in China has been the victim of this kind of "abuse"? Surely, if there were no basis to the charges against Mr. Ward, the Chinese have been guilty of inconsistency, to say the least, in their treatment of Western officials.

Equally puzzling, in view of the amount of publicity surrounding the Ward case, is the lack of interest in America concerning the second major point at issue between the Chinese authorities and the American consulate in Mukden—the uncovering of an espionage ring which the Chinese charged was directed by the US Army Liaison Group in Mukden and the US consulate. The espionage trial was held immediately following the trial of Mr. Ward, and on its conclusion the People's Court in Mukden ordered the deportation of all foreign personnel in the American consulate.

Yet to such an extent has the Ward case obscured this second trial that the casual reader would be under the impression that Mr. Ward, upon being ordered to leave the country, gathered together his consular staff and departed.

It is not easy to determine what actually happened in Mukden, since the American and Chinese versions are quite different. However, in view of the effect the case is having on American policy toward China, it is worth trying to piece together some of its more neglected aspects.

Shortly before the People's Liberation Army marched into Mukden on November 2, 1948, it was announced that the American consulate-general would remain in the city. This was to be a test case to determine how American officials would fare under Chinese Communist rule. To prevent misunderstanding the American Government took the precaution of closing down the office of the American military attache in Mukden and withdrawing the personnel of the External Survey Detachment—the successor and peacetime version of General Donovan's wartime intelligence organization, the Office of Strategic Services. That left 11 Americans attached to the consulate in Mukden. What their precise functions were to be was not clear, since at that time there were no private American citizens residing in the city.

About two weeks after the PLA entry the consulate had its first run-in with the new authorities. An order was issued for the surrender of all radio communications sets. The American consulate, which was the only one in the city with its own private radio communication facilities, apparently refused to comply with the order, and its radio set was closed by the authorities on November 18.

Following this incident, the American consulate staff was reported to be confined to the consulate compound, and no communication was received from Mr. Ward for a period of months.

Other Consulates

The British and French consulates, both considerably smaller in size than the American, likewise were not heard from for several months after Mukden fell. Whether this was due to restrictions placed on the use of communications facilities, as has been suggested in some quarters, or merely to the temporary disruption of the mails and telegraph system between Mukden and Nationalist China is not ascertainable in Shanghai at this time. However, all foreign consulates in Mukden, like those elsewhere in China, now have unlimited use of the Chinese postal and telegraph system except for the fact that they may no longer send messages in secret code.

It should be pointed out, however, that in the eyes of the Chinese none of these consulates any longer had official status. The Chinese position was that the governments to which they were attached still recognized the Nationalist regime as the legal government of China. Therefore, no official relations could exist between the new People's Government that was functioning in Mukden and re-

presentatives of the American, French or British governments. Consequently, the Chinese referred to these consulates as the "former" consulates which existed during the old regime, and regarded consular personnel as ordinary foreign nationals.

The foreign, or at least the American, position was that consulates, unlike embassies, do not have diplomatic status but function only on a local level to look after the interests of the nationals of their particular countries. The fact that these consulates had remained behind when Mukden was liberated, they maintained, in itself constituted de facto recognition of the new local authorities.

Diplomatic Immunity

While this is a legalistic dispute better left to authorities on international relations, it is important to mention in connection with the Ward case, because the hue and cry that has been raised has been based on the assumption that Mr. Ward should have enjoyed diplomatic immunity and that his arrest, therefore, constituted, in Mr. Acheson's words, "a direct violation of the basic concepts of international relations." Although the State Department itself, in its note to the 30 governments requesting intervention in the Ward case, had to admit that "consuls do not have diplomatic immunity," it nevertheless was requesting just that. The newspaper comment, moreover, has consistently referred to Mr. Ward as a "diplomatic representative."

After six months the State Department last May announced that because of "arbitrary restrictions imposed on the consulate" it had sent Mr. Ward orders to close the Mukden consulate. On June 16, Ward contacted the American consul in Peking through commercial telegraph facilities to report that he had received the orders and was preparing to carry them out.

Two days later, however, the Peking radio broadcast a report that a "big American spy ring" had been uncovered in Manchuria which it charged had been directed by the US consulate and the US Army Liaison Group in Mukden. The US Army Liaison Group, the broadcast said, was the "open" name of the External Survey Detachment—ESD.

The radio said the spy ring was set up shortly after the Japanese surrender in 1945 and that it continued to operate underground after the liberation of Manchuria was completed in October, 1948. It said three men, a Japanese, a Mongolian and a "Chinese national of Sino-American parents," identified as the "principal espionage agents," were under arrest. The three were declared to have been caught with six American radio transmitters, three generators, 16 secret code books "of the American espionage service," 10 gold ingots "for espionage expenses" and quantities of military directives and "documents on the organization of the American TS espionage organization."

The American embassy in Nanking replied that the charges against the consulate in Mukden were "ridiculous and absolutely false." A State Department spokesman in Washington said they might have been made to distract attention from the fact that the American consul-general and his staff in Mukden had been held incommunicado for the past seven months. There was no answer to the accusation from either the War Department or the US Army.

The case was brought to trial before the People's Court in Mukden on November 26. On that same date, the State Department announced that William Stokes, a vice-consul in the Mukden consulate, had been arrested on charges of espionage, according to a telephone message from Mr. Ward to Edmund Clubb, the American consul general in Peking. The Department said Mr. Clubb had been instructed to lodge the "strongest possible" protest. Mr. Ward's information, however, seems not to have been entirely accurate, for Chinese press accounts of the trial did not list Mr. Stokes among the defendants, and merely reported that he "was present at court during the trial."

Eight Defendants

There were eight defendants, all persons of Chinese, Japanese or Mongolian nationality. No Americans stood trial, although the names of several Americans were listed as having directed various phases of the espionage activity. They were identified as Nishida, a Japanese of American nationality who was first with the consulate in Mukden and later with the Army Group; Richardson, head of the US Army Liaison Group in Changchun; Myadam of the Shanghai headquarters of the US Army Liaison Group; Walsh of the US Navy Liaison Group in Mukden; Hunt, who succeeded Walsh; Singlaub, head of the US Army Liaison Group in Mukden; and Barandson, an UNRRA employee.

The three principal defendants were listed as Sasaki, a Japanese; Po Yen-tsang, a Mongolian; and Wu Jen-chieh, a Chinese national of Sino-American parents. Sasaki, according to the Chinese accounts, first worked for the Japanese in Manchukuo and later for the Americans in Mukden, working directly under Nishida. After collecting "military and political information about liberated Manchuria," he was entrusted with an espionage organization called "TS" and by April of 1948 had established 11 branches in Manchuria.

Po Yen-tsang, the second principal defendant, "pleaded guilty to having acted as an American espionage agent and instigated subversive activities in Inner Mongolia."

The third main defendant, Wu Jen-chieh, was reported to have been a "messenger for intelligence transmitted between Tientsin and Mukden."

All three were quoted as stating that they had been summoned to the Mukden US Army Liaison Group headquarters in October, 1948, just before liberation, and told to go underground. They declared they were each given two miniature radio transmitters, a generator, secret code books and sums of money.

These radio transmitters, generators, code books and various letters, reports,

charts and other documents, found when the accused were arrested soon after the liberation of Mukden, were reported to have been on display at the court.

All the accused were reported to have pleaded guilty, and they received sentences of from two to six years imprisonment. In addition, the court ordered the deportation of all foreign personnel of the American consulate in Mukden "for screening and directing espionage activities against the Chinese people."

State Department Denial

At the conclusion of the trial, the State Department again issued a denial, declaring that the Americans could not possibly have engaged in espionage since they had been under virtual house arrest since the PLA took Mukden in November, 1948. This explanation sounds plausible but is in fact irrelevant. The trial was concerned only with events up to the end of October, 1948, when the defendants were alleged to have been given money and equipment and instructed to go underground. There was no mention of activities on anyone's part after that date, since the group was arrested soon after Mukden fell.

A stronger point for the Department to have emphasized would have been the fact that no direct accusations were levelled against any individuals at that time in the American consulate in Mukden, nor were any of the Americans named in the Chinese charges actually consulate personnel. However, certain other evidence brought out in Chinese press reports of the testimony, such as the fact that the Army Liaison Group in January, 1948 was stationed on the premises of the American consulate and that some of the Army employees had offices in the consulate, could conceivably have aroused Chinese suspicion that the consulate was not unaware of the Army Liaison Group's activities. Moreover, it is quite natural to expect that the Chinese felt the consulate, as an official American organization, would be responsible for whatever loose ends remained after the ESD evacuated from Mukden just before the city's liberation.

Ward Arrested

It was in the midst of this situation that Mr. Ward was arrested, on October 24, on a charge of assaulting a Chinese employee.

The facts of the case, as contained in the Chinese charge, were these: On September 27, the employee, a 50 year-old messenger named Chi-Yu-heng who had worked for the consulate for 13 years, was instructed by Mr. Ward to tear down a cement pole in the consulate compound. After struggling unsuccessfully with it for half a day, Chi asked for some help. This was refused, and when Chi declared he could not do the task alone, he was dismissed from his job on the grounds that he refused to work.

Chi subsequently applied for his wages, severance pay and accumulated leave. Mr. Ward was willing to pay only the wages. On October 10, Chi went to the consulate to demand the payment he felt was due him, and he spent the night in the consulate compound. The following morning he was discovered and summoned to Ward's office. There he was beaten

and pushed down the stairs, where he collapsed, unconscious, from a forehead wound. Chi's brother, Chi Yu-feng, who accompanied him, was also involved in the fray.

The Chinese employees of the consulate immediately called the public safety office, whose representatives arrived and rushed Chi to the Mukden municipal hospital, where his case was diagnosed as concussion of the brain, abrasion on the right forehead, and contusion of both arms and right lower limb.

Mr. Ward and four members of the consulate staff, Ralph Rehberg, F. Cicogna, Shiro Tatsumi and A. Kristan, were arrested.

The People's Court of Mukden held five hearings on the case, then announced that "the court finds that the five accused, in residing in China, unreasonably discharged Chinese workers, withheld their wages, leave allowances, severance pay and saving deductions, assembled together in assaulting Chinese workers Chi Yu-heng and Chi Yu-feng, caused their injuries, trespassed upon the rights of persons and violated the law and ordinances of the People's Republic of China."

Sentences Suspended

Mr. Ward was sentenced to six months imprisonment, Kristan and Rehberg to four months, and Cicogna and Tatsumi to three months. These sentences were suspended for one year and all were ordered to be deported. Ward was required to pay US\$174—US\$9 for nine days' wages, US\$105 for three and one-half months accumulated leave, and US\$60 for severance pay—in addition to medical fees and damages. The latter two items were calculated in local currency—NEC1,365,000 for medical fees and NEC2,500,000 for damages. Although the conversion rate between Northeast currency and US dollars is not tabulated in Shanghai, the rate between NEC and Jen Min Piao for the last week in November was NEC18 to JMP1, and the rate between the US dollar and JMP was 1 to 10,000. Calculated on this basis, Mr. Ward had to pay the equivalent of US\$7.58 for medical fees and US\$13.88 for damages.

Despite the State Department's charge that the arrest was baseless, Mr. Ward did not, upon his release, deny that the messenger had been injured. According to the *Voice of America*, Ward said he had a dispute with an employee over the question of "employment termination payments." The *Voice* continued: "During the conversation he (Ward) said that the employee, after walking around the office for about 15 minutes, took a position lying on the floor and began to moan. This was after he had refused to accept Mr. Ward's offer of a settlement. (This 'settlement,' the *Voice* neglected to add, was US\$9 for payment of nine days' wages.) The messenger's brother attacked Mr. Ward, and vice-consul Rehberg came to his rescue. The messenger then threw himself on the floor near the stairs. Mr. Ward, fearing he would fall downstairs, attempted to raise him, and the man backed down the stairway."

The messenger's statement, delivered in court, told this version: "Rehberg told me to go upstairs for my money, and forced me to sign some

papers. Because the money was not enough, I refused to sign. My younger brother, Chi Yu-feng, came up to mediate, but was pushed out into the corridor and the door of the room was closed. Rehberg called Ward to the room. Both of them started to push me outside. Ward, who was behind, began to kick and hit me. He pushed me down from the top of the stairs. When I reached the turning on the first landing, Chi Yu-feng came down again. Rehberg left me to give two blows to Chi Yu-feng, and then held him tight. Ward pushed me down to the floor at the landing. At the time my head hit the stairs and my right temple was injured. Ward next used his fist to hit my left eye. After that I lost consciousness."

Stairway Testimony

A good deal of the testimony during the trial centered about the stairway incident. The *Sin Wen Jih Pao* in Shanghai printed this portion of Ward's examination:

"Question by Judge: Did you pull Chi Yu-heng down the stairs?"

"Answer by Ward: I was holding the two hands of Chi. He preceded me and looked up at me.

"Q. Had you not held Chi's hands, would he have sat down on the stairs?"

"A. Yes. If I had not held his hands, he would have sat down.

"Q. Does this not prove that he was not prepared to go down, but that you forced him to do so?"

"A. I cannot admit this. I held his hands to prevent his falling down the stairs. Had I not done so, I was afraid he might have jumped down.

"Q. If he was willing to go down the stairs, how was it that he fell on the stairs? Does this not prove that he did not want to go down?"

"A. I dared not let go of my hand, for fear that he might jump down.

"Q. Chi Yu-heng was mentally normal, so why should he jump down the stairs?"

"No answer.

"Q. Where did you push Chi Yu-heng to?"

"A. I did not push, I only remember letting him off lightly. Possibly he fell by my feet or in front of me.

"Q. Did you not say that you were afraid if you let go your hands, Chi would have fallen down? Why then did you let go?"

"A. I wanted to defend myself against Chi. (Presumably Chi Yu-feng, the brother—Ed.)

"Q. Had not Chi already been held tight by Rehberg?"

"A. I was not sure whether Rehberg had held him tight enough."

Rehberg gave this version, according to the *Sin Wen Jih Pao*:

"Question by Judge: Where did Ward push Chi Yu-heng to?"

"Answer by Rehberg: Ward pulled Chi, not pushed him. He was pulling him down the stairs.

"Q. Who was in front, Ward or Chi?"

"A. The stairs consisted of three sections. I did not see what happened on the first section. On the second section, Ward was pulling Chi down, Chi was in front.

"Q. Was he pulling him down, or pushing him down?"

"A. Pulling him down.

"Q. According to your description of the relative position of the two men, is not this situation rather strange?"

"A. On the first section of the stairs, Ward was pulling. On the second section, the situation was as I described. I do not know whether Ward pulled or pushed.

"Q. Well, was it pull or push?"

"A. Ward was pushing Chi down the stairs. But at the same time he was afraid Chi might fall, so he also pulled him.

"Q. Then Ward was at that time pushing Chi?"

"A. That was what I saw, but I cannot explain Ward's action."

Severance Pay

Reading the Chinese accounts of the trial, it is indeed hard for anyone to explain the action of Mr. Ward. However, two things must be considered.

The first is the matter of severance pay, which is relatively new to the United States Government in China and a question over which there have been a number of disputes with Chinese employees, none of them, fortunately, with as unhappy results as the Mukden incident. Before liberation, US Government agencies did not follow the usual Chinese custom of making severance payments upon dismissing employees. In fairness it should be pointed out that salaries in official US organizations were generally a good deal higher than prevailing wage scales elsewhere. Nevertheless, losing one's job in China during the last two or three years has been a major disaster since unemployment has been widespread. When the United States Information Service dismissed roughly half its Chinese staff in the summer of 1947 there was no provision for severance pay other than accumulated leave payment and retirement refund which had been deducted from the employees' own salaries. Many of the employees,

especially those in the unskilled levels, had no reserves to fall back on.

After liberation, severance pay upon dismissal became one of the major demands of labor, and this issue was raised in a number of cases involving dismissed US Government employees, the most notable being the US Navy employees in Shanghai who were terminated when the Navy withdrew, and USIS employees in the various USIS offices in China who were dismissed when the USIS was closed. In all cases, after considerable negotiation, severance payments were made. The labor regulations throughout China now provide that severance pay must be given. It is possible, however, that Mr. Ward, who was isolated in Mukden for a year, did not realize that American consular establishments elsewhere in China were adopting this practice and that his attitude toward the subject was therefore negative.

The second matter is that of physical assault upon Chinese. It is hard to believe that such things happen, yet anyone who has lived in China knows that they do. Last summer a member of the British consulate-general in Shanghai was charged with hitting two of his servants on the chest and face in a dispute over wages. He admitted his mistake in hitting the servants and agreed to pay them six months' wages (at US\$12 a month) as termination allowance. The wife of a leading American in Shanghai scratched and kicked four of her husband's employees who called at their apartment during the course of a wage dispute. The startled employees offered no resistance, and the husband, to save his wife's being involved, made the necessary apologies.

False Impression Given

Without first-hand evidence of the trial itself, it is not possible to give absolute judgement on the Ward case. But it is evident that the reporting of the case in the American press, over the *Voice of America*, and in State Department announcements, ignored important facts and tended to give the American public a false impression of the whole affair.

The Ward case is scarcely of sufficient importance to constitute a key issue in America's relations with China. Yet this is what the State Department has tried to make it.

Secretary Acheson's statement that America could not recognize the new government of China because of the "outrageous" treatment of Mr. Ward can hardly be taken seriously. It came at a time when the Nationalist Government, which the US continues to recognize, was firing on the Flying Cloud and the Sir John Franklin, two American ships carrying American passengers and crew. In newly liberated Chungking the mutilated bodies were discovered of some 700 political prisoners murdered by the Nationalists before they withdrew from the city.

The only feasible explanation for the State Department's attitude seems to be that Ward's trial provides a talking point for those opposed to recognition. In trying to make the most of this talking point, the State Department and the American press have given a most one-sided picture of the case.

— MARY BARRETT

CHINESE VIEW OF THE MUKDEN AFFAIR



These two cartoons were printed in a roundup of the year's events carried by the Shanghai *Giefang Rihao* (Liberation Daily). The one on the left shows Angus Ward being deported from China; that on the right depicts the PLA uncovering the espionage ring in Mukden.

Reforming China's Written Language

Latinxua (pronounced: latinhwa), an excellent system of phonetics, may supplant the complicated Chinese character for everyday use and make widespread literacy possible.

FOR centuries, the non-phonetic, intricate, written Chinese characters have been used by the ruling classes to keep the people ignorant and in subjection. Peasants and workers, 90 percent of the population, could not afford the expense of the years of study required to master thousands of complicated characters. Although the history of attempts to alphabetize written Chinese is a long one—one of the first was made over 300 years ago—the poverty and cultural backwardness of the masses, coupled with opposition by ruling circles, have prevented any alphabetic system from coming into wide use. Now, however, a basic revolutionary victory has been achieved, and progressive intellectuals hope that the relatively new system of romanization, latinxua (拉丁化, "Latinized"), will come into use as a fundamental lever in the cultural revolution. The gigantic task of turning backward, agricultural China into an industrialized nation requires an educated citizenry, for which a simple, alphabetic, phonetic system of writing is necessary. The latinxua movement is and has been an important part of the national democratic movement.

Complexity of Language

To the westerner, ignorant of the fantastic complexity of written Chinese, the problem may not appear a very pressing one. He is fortunate in having a relatively simple written language. But the student of written Chinese must learn a minimum of 2,000 elements (characters); a newspaper uses about 6,000 and the total number of characters is estimated at 50,000. A character is an ideograph, representing an idea, not a sound; there is no possibility of even guessing at the pronunciation of an unfamiliar character.

These aspects of Chinese characters make for enormous difficulty in learning to read and write, and render the written language a very clumsy tool in many other ways. Not only must the student learn to write thousands of characters, some of which differ only slightly from each other, but also many characters differ in the printed and written forms. Others are pronounced in two or more ways, with differing meanings. An example of confusing similarity in appearance is: 未 and 末; and 己, 已. A common example of varying pronunciation and meaning is 行, which can mean "to go" or "a company."

The mechanical aspects of writing are troublesome. Brush writing is extremely difficult, although now being displaced by the pen for ordinary use; but characters cannot be written in a continuous line, as western languages are, rapidly and easily. Each "stroke" is made separately. The most complicated character is said to have 54 strokes; the average number is about 13.

Other difficulties arise in the use of characters. The transliteration of foreign names into characters is awkward and confusing; there are at least four ways of transliterating "Beethoven," for example. Printers cannot use the linotype; newspapers and books must be painstakingly set by hand, the typesetter working with a font of 6,000 or more characters. Telegrams must be sent with a numeral system. Typewriters are bulky, complicated and slow—and the typist must have no mean education himself. Finally, library catalogs, card indexes of all sorts, and dictionaries are arranged in mazes that would astound the westerner.

Great Obstacle

All this has been a great obstacle to the advance of Chinese culture. Traditional Chinese culture is an ancient one, but, largely owing to the complexity of the written language, China is far behind in the absorption of western scientific culture. The movement for latinxua is aimed to raise the cultural level of the Chinese people by giving them an easy to learn phonetic written language, which will also simplify the absorption of desirable elements of advanced western culture.

In 1605, Matteo Ricci, an Italian Jesuit, published his "Miracle of Westernized Words" in Peking. This book apparently had little influence, but it was the first of a long line of attempts, at first chiefly by foreigners, to romanize Chinese. The most active period of the phonetic movement began about a century ago. With China's defeat in the Opium War, a missionary invasion began. But missionaries found that nobody could read the Bible, so a phonetic system was devised, which spread widely in southeast China and Formosa. During the closing years of the 19th century, an average of 10,000 Bibles in romanized Chinese were published yearly. Even now, old country people use the system to write letters. The Wade-Giles system, still widely used, dates from this period. This first important stage in the romanization movement, carried on by missionaries, showed the way to Chinese intellectuals and prepared for the second stage.

From the closing years of the 19th century until the 1911 revolution, Chinese intellectuals, smarting from a consciousness of China's backwardness, demanded widespread education for the masses. They realized the difficulties of the character system, and many devised systems of romanization. But the Ch'ing dynasty, corrupt and impotent, persecuted the leaders of this movement. Some were persecuted for their dangerous thoughts; some fled the country; some founded schools or taught in the tea shops. Although all these 40-odd

systems failed, these pioneers showed great spirit and they succeeded in rousing an interest in phonetics among large numbers of educated Chinese.

With the 1911 revolution, the way seemed at last clear to official recognition and promulgation of a phonetic system. The Minister of Education, Tsai Yuan-p'ei, called a conference of the pioneers of the language reform movement, and a unified system of phonetics was devised, called Phonetic Signs (法音字母). This was not a romanization, but a system of signs to be printed alongside the characters to indicate pronunciation. Although this system was set up in primary schools, it failed, largely because the revolution had left political power in the hands of conservatives who didn't really want widespread education.

The May 4th Movement, beginning in 1919, ushered in a new and vigorous cultural movement, carried forward by students and young intellectuals who were to be the pioneers of the second revolution six years later. They opposed feudalism, Confucian culture and traditional literature, and the classical Chinese characters. They wished to promote a scientific and democratic culture, and as one means to this end they produced yet another—phonetic system called the Kuoyü Lomatze (國語羅馬字). This system did not succeed because it was created by scholars and was based upon the Peking dialect, not on the language of the common people (putungxua). It was needlessly complicated by a system of tone indication.

But it had good features also. It is erroneously believed by westerners that Chinese is a monosyllabic language. When written in characters, it appears to be; but the spoken language is polysyllabic, with possibly two syllable expressions predominating. In Kuoyü Lomatze, the romanized syllables were combined to form words. Thus, the syllable (character) for electricity is "dien," that for light or lamp is "deng," and the word for electric light is "diendeng." Thus, romanized spelling plus combination of syllables permits logical aggregates to be written as units, as words, and makes much easier the absorption of foreign names, technical terms, etc.

KMT Opposition

The system was officially adopted for teaching in public schools after the second revolution of 1925-27, but, there was no hope for such a system under reactionary KMT rule. The KMT paid lip-service to popular education, but it proved, especially during its last ten years of rule, that it hated and feared mass literacy.

Meanwhile, in the Soviet Union, under the impetus of the widespread movement for developing national languages and cultures, use of latinization made great strides.

Anti-KMT Chinese began going to Russia, and 1928 saw over 100,000 Chinese workers in Moscow. Most of these could not read or write, and the

problem arose of educating them. A Chinese Communist, Chu Ch'iu Pei (瞿秋白) had become greatly interested in the "clearing away ignorance movement," looked into its history, and studied the various attempts that had been made in China for latinization. He criticized Kuo-yü Lomatze, and worked out a new system: Latinxua Sinwenze (拉丁化新文字), Latinized New Writing. He published a small book, explaining the system and its alphabet.

Attempts to teach the illiterate Chinese in Moscow by the use of characters had proved too difficult; so the Chinese Communists there tried Chu's system. The workers learned easily and quickly, and were soon able to read and write.

After this initial success, the Party organized a committee to study the question, and Chu's method was approved. In 1932, at Vladivostok (海参崴) in Siberia, the first representative conference met to discuss the new written Chinese language.

But in China itself, the new system was practically unknown.

History Since 1931

Chu returned to China in 1931. From that time until recently, the history of the movement in China was marked by struggle, repression by the KMT, and some success in propagating it among students, intellectuals, and the people.

Chu went in 1931 to the soviet area in Kiangsi, where he became the Minister of Education. He hoped to promote Latinxua, but conditions were hardly favorable, because of the incessant fighting and KMT blockade of the area.

The movement properly began in Shanghai in 1933. Soviet scholars sent texts and dictionaries to Lu Hsün, who interested the Esperantists, and publicity was given Latinxua in Esperanto magazines. But KMT persecution prevented any large-scale propagation of Latinxua; the KMT treated the movement as a purely political, Communist affair. It arrested workers and interfered with the publication of newspapers and books. Although many intellectuals laughed at Latinxua, Lu Hsün advocated the system and gave it much publicity, although he did not use it himself. It had an appeal among large groups of workers, students, and progressive intellectuals, and Latinxua began to spread.

In the period 1934-37, more than 60 books were published in Latinxua, largely devoted to opposing Japan and saving China. More than 35 magazines appeared. In 1936, a large group publicly signed a declaration in support of the movement, including T'sai Yuan-p'ei, Mme. Sun Yat-sen, Sun Fo, Kuo Mo-jo, Mao Tun, and Dr. T'ao Hsing-chih. During this period, the movement spread all over China. Shanghai was the most important center, followed by Peking and Canton.

From 1937 to 1941, Latinxua's successes, especially in Shanghai, brought opposition from Wang Ching Wei and the Japanese causing many of its workers to join the New 4th Army. By 1941, work had ended in Shanghai. During this period, 54 books had been published in Shanghai, including dictionaries, theoretical works, textbooks, etc. More than 300 classes had been organized among student and intellectual groups, in addition to the work at the refugee centers. Latinxua also made progress during this time in Chungking, Hankow, Hongkong, and even as far afield as Singapore, Malaya, and San Francisco, where a Latinxua Association was established.

In November, 1941 at Yen-an, the highest point in the history of Latinxua was reached by the establishment of the Shan-Kan-Nin Border Region Latinxua Association. More than 1,000 attended the organizational meeting, including many political and educational leaders. Latinxua workers started actively to promote the system in the Border Regions; that winter, the Winter Education Movement for farmers was begun. A newspaper, textbooks, and other books were published, and the movement made progress in other liberated areas, where papers and books were published and branches of the Association were organized.

Future Assured

Although Latinxua thus made significant progress, owing to the difficult conditions during the war of resistance the new writing movement could not be widely carried out. But many seeds were sown, which could only prepare for a good harvest when conditions improved. During those difficult years, much research was done, and many young workers were led to understand the history of

Latinxua and its significance for Chinese culture. Its difficulties were not minimized, and it was seen that much preparatory work had still to be done. Two slogans were evolved: "China's writing revolution is no easier than her political revolution," and "The real revolutionaries in the political field are also the real language revolutionaries."

Characteristics Of System

Such, in brief outline, is the history of Latinxua. What is it like, and how does it differ from systems already hallowed by long usage, as for example the Wade-Giles system? At the outset, it must be emphasized that Latinxua was designed primarily for the teaching of reading and writing to Chinese; thus, there is no tone indication, since the Chinese have "tone" ingrained as an indispensable but unconscious part of the spoken language. However, for foreigners' use, it is a comparatively simple matter to devise four diacritical marks to indicate tone.

Latinxua is a latinization, not of the classical language, or of local dialects, such as that of Peking, but of the so-called "common speech" of the people, understood by the vast majority estimated at 80 percent of the population. The common speech, or putungxua, is spoken, with minor variations, in the vast area of China lying in a northeast-southwest direction. Along the coast, however, in southeast China, beginning from Shanghai and extending to Kwangsi, there are many dialects, which differ greatly in pronunciation from each other and from the common speech. For these, Latinxua spelling differs from the spelling of standard, or common, speech. Although this seems to forsake the ideal of a truly common written language, it is hoped that in time, with improved communications, there will be a standard written and spoken language throughout China.

While speech differs, the ancient characters remain the same all over China, and sentence construction changes very little from district to district; thus, characters fulfilled the very important function of unifying the system of ideas in China. Latinxua is not designed to oust characters dramatically and suddenly, by official fiat; it is hoped that the new writing system will gradually replace characters for everyday use, because of its simplicity and convenience.

Why a new system? the westerner may ask. The older romanization systems had two principal defects: they used an alphabet in spelling Chinese that gave too much consideration to native tongues, and too little to Chinese phonetics; and they spelt out Chinese character by character, not realizing that Chinese, like western languages, conveys significant meaning through groups of syllables, rather than single syllables.

From the above, it will be seen that some consonants are pronounced hard or soft, as in "guogia" and "kyngkud;" this is determined by the following vowel, and the rule is invariable. Other rules are few; some vowels are changed within an expression for

The Latinxua alphabet contains 28 letters, as follows:

A	xao	好	good	Ng	kungyn	空軍	airforce
B	bush	不是	not to be	O	moshui	墨水	ink
C	cungc	從此	hereafter	P	pingfang	平方	square
Ch	chfan	吃飯	to eat	R	rz	兒子	son
D	diandeng	電燈	electric light	Rh	rhenrhen	人人	everybody
E	zhezhung	這種	this kind	S	siaoxaiz	小孩子	child
F	ifu	衣服	clothes	Sh	sh	是	to be
G	guogia	國家	country	T	tamnd	他們的	theirs
I	iao	要	to want	U	uz	屋子	room
J	meijou	沒有	not to have	W	wo	我	I
K	kyngkud	窮苦的	poor	X	xuaxye	化學	chemistry
L	laila	來了	to have come	Y	ybei	豫備	to prepare
M	meimei	妹妹	younger sister	Z	zgid	自己的	one's own
N	njunai	牛奶	milk	Zh	zhengzh	政治	political

greater clarity, or inserted, as for example in "zhuji," to pay attention (zhu plus i, with j inserted). There are also some spelling differentiations to denote gender or the interrogative, as for example to distinguish "ta" (he or his—他) from "taa" (she or her—她), and "gigo," several, from "giigo," how many? Abbreviations are simple, as "n." for year (nien), and certain syllables, lightly accented, as "mn" for the personal plural "men" (們), and "d" for the possessive sign "di" (的). In most instances, of course, foreign words are spelt in the foreign manner.

It is not within the scope of this short article to go very deeply into the rules of spelling and grammar of Latinxua; since the system is for Chinese, there has been little published for the use of foreigners. Mr. Yaoping Chow, presently with the Postal Administration, several years ago wrote a primer which, it is hoped, can be published for foreigners' use. The system appears strange at first sight to those accustomed to the Wade-Giles system, but after a little study it will be seen that Latinxua is a far more rational system than the older one, which for some reason denies the use of "g" for that sound, and runs into difficulties with "k" to represent the "g" sound, and is then forced to use "k" for the "k" sound. Considering the vitality and importance of the Latinxua movement, it appears essential that textbooks and dictionaries be made available for foreigners.

At present, those who have been active in the movement consider that the system has not yet been perfected, and that a period of from two to five years of further preparatory work will be required before Latinxua is widely accepted. An association has been established in Peking to study the system thoroughly, and at the

same time to publicise it through magazines, articles, and the opening of classes in Latinxua.

Government Sympathetic

Latinxua is not being officially promoted by the people's government, although the government is sympathetic toward language reform, to facilitate widespread literacy, and toward Latinxua in particular. During the preparatory period, the association in Peking and other large cities has a great task: that of carrying on wide publicity for the movement. Old language habits are not easy to change, as witness the furious controversies between England and the United States over slight differences in word usage and spelling. China's 3,000-years-old written language has so deeply imbedded itself in the fabric of the nation that it will be no easy task to change writing habits. The need for wider knowledge of Latinxua is indicated by the fact that, largely owing to KMT repression, many are yet ignorant of the system, even in many intellectual circles. The government is sympathetic, but the policy, in language reform as in other needed reforms, is not to go too fast; there will be nothing like Ataturk's decree in Turkey, for example, ordering that after a certain date, all newspapers and other public documents must be written in latinization. The government wishes to ally all groups in support of the movement, rather than leaving the whole initiative and task of spreading Latinxua to the Communist Party alone. The preparatory period will be given to obtaining mass support, widespread teaching, and further work on the system itself, for greater perfection.

Mr. Ni Xaishu, one of the pioneers in the Latinxua movement, who was himself arrested by the Japanese for his work, has stated that a hopeful sign is the great number of young workers who have devoted themselves to the task of spreading Latinxua widely among the people. The present Latinxua program may be summed up as follows: to continue the phonetic system, using the Latin alphabet; to replace the classical characters, especially for everyday use, but not to abolish them; to satisfy the phonetic needs of the many existing dialects, but to emphasize the importance of the budding putungxua (common, universal speech). This last point requires a little explanation. There are obviously two ways to tackle the difficulty of many dialects; one is to choose, more or less arbitrarily, a "standard" dialect, and to use it exclusively; and the other is to spell all dialects phonetically, according to the tone values of the dialect and alphabet. Or, a combination of these may be employed. This is the present plan. Teachers, students and workers will learn the universal

dialect, while farmers, for instance, will first concentrate on their own dialect. This will give them a basic understanding of the system and permit them to go on later to learning the universal dialect. Perhaps an example will make this clearer. The characters 新文字 are transliterated into the northern "universal speech" as sin wenz, and into Shanghai dialect as sin vensh. China is so vast that geographic conditions create obstacles for unification of the language, and progress cannot be pushed too quickly. The most important, immediate task is to teach the farmers who, it must be remembered, number more than 80 percent of the population to read and write, whether in their own dialect or in the "standard" dialect.

Latinxua Letter

Although the widespread use and teaching of Latinxua was interrupted by the anti-Japanese war, the movement never disappeared, even during those most difficult times. An American, Clinton H. Moseley, was in China at the time, and learned to speak Chinese quite well; but the characters proved too much for him, so he learned Latinxua and was able to write Chinese in a short time. He wrote a letter to Mr. Ni Xaishu, from which only a short excerpt is given because of space limitations. Those interested in the subject will find the letter in Mr. Ni's "Zhungguo Pinjin Wenz Gailun" (中國拼音文字概論):

"Cin'aid Zhungguo latinxua gungzozhemn:

...Zhungguo guangdad nungmin syjao Xanz latinxua, tebie sh zianglai nimn sin Zhungguo guangdad wuchangiegi syjao Xanz latinxua... Wo siangsin latinxua sh nimn sin Zhungguo de sin wenz! ...

(親愛的中國拉丁化工作者們：

中國廣大的農民需要漢字拉丁化，特別是將來你們新中國廣大的無產階級需要漢字拉丁化。我相信拉丁化是你們新中國的新文字！……)

Active work in teaching the new system and in publishing books and magazines is going on. In Shanghai, there are many classes in Latinxua; Mr. Ni Xaishu is teaching a class at Fuhtan University, several books on the subject have appeared, and there is a small weekly being published, Sin Wenz Zhoukan (新文字週刊). These materials are of interest only for those with a fairly good knowledge of written Chinese characters. It is to be hoped that textbooks and other materials will be available in western languages, to enable the foreigner to learn the new system. Latinxua is on the way to wide acceptance and use in China, and westerners studying Chinese will undoubtedly find it advantageous to learn it. Its simplicity and rationality, as compared with existing systems of transliteration, highly recommend it to the student.

— WILLIAM BERGES



NEWS OF THE WEEK

Britain Recognizes New China; American Ship Attacked

GENERAL Liu Po-cheng, commander of the 2nd Field Army of the PLA, told a mass rally at Chungking on January 7 that the task ahead was to liberate Tibet, according to the *New China News Agency*.

The campaign to liberate southwest China ended to all intents and purposes on December 27, he said.

"From now on the work to be carried out in the military field is the liberation of our compatriots in Tibet, to build up our national defense, and to eradicate the scattered enemy remnants that have gone into hiding," Liu Po-cheng declared.

The Taiwan Situation

AMERICANS on Taiwan were being advised to leave the island unless they had urgent reasons to remain, diplomatic sources said in Washington on January 6.

The sources said that the advice was given on an individual basis without a general warning such as was issued before the liberation of Shanghai and other mainland areas.

Officials said they believed there was a danger of an internal uprising against the Nationalist regime as well as a PLA amphibious attack.

It is believed that there are between 100 and 200 Americans on the island.

Meanwhile from Foochow comes news that in Taiwan slogans such as "Support Chairman Mao," "Capture Chiang Kai-shek Alive," "Welcome the People's Liberation Army," frequently appear on telegraph poles, bridges and railway-station walls near Taipei.

One-third of the 300 machine factories on Taiwan have already ceased operation while the remainder are in a semi-paralyzed state, according to figures released by the machine industry trade association of Taiwan Province. The number of workers unemployed has reached 800,000.

The Taiwan sugar industry is being crushed under exorbitant taxes levied by the Kuomintang while the blockade and other controls have cut the industry off from former mainland markets.

Large numbers of youths are being conscripted by the Kuomintang for a last-ditch stand against the People's Liberation Army. Civilians are under constant threat of death and imprisonment by Kuomintang military and secret agents.

Note to Embassy Staffs

FOREIGN Minister Chou En-lai has issued a note to personnel of embassies, consulates, and offices of the former Nationalist government saying that they will be held responsible for the care and protection of all property and documents and should not destroy or sell these pending take over by the People's Government.

The note stated: "I formally declare: All embassies and consulates

of the former Kuomintang reactionary government and all officers and personnel of the former Kuomintang organs abroad should, pending take over by personnel of the Central People's Government, remain at their posts and be responsible for safeguarding all property, charts, accounts and files, etc., and wait clearance and taking-over.

"Those who show merit in safeguarding property will be appropriately rewarded by the Central People's Government and if they are willing to continue to render service the Central People's Government will, after taking them over, permit them to be employed according to their capabilities.

"Those who dare to follow the orders of the Kuomintang and destroy documents and illegally sell public property will be punished by the Central People's Government without clemency."

The *New China News Agency* has announced that all personnel of the embassy in Burma and the consulate general in Madagascar of the former Kuomintang government have severed relations with the Kuomintang and accepted the leadership of the Central People's Government.

Tu Yun-tan, ambassador to Burma, with all personnel of the embassy, sent a telegram to Foreign Minister Chou En-lai on December 27, declaring their immediate severance of relations with the Kuomintang and their acceptance of the leadership of the Central People's Government.

On December 11, all personnel of the consulate-general in Antananarivo, capital of Madagascar, published the declaration: "Our fatherland has attained liberation under the leadership of the great people's leader, Chairman Mao Tze tung, and now is on the way to new life. We declare our severance of relations with the reactionary Kuomintang government as from today."

British Recognition

ON January 6, the United Kingdom of Great Britain and Northern Ireland formally recognized the Central People's Government of the People's Republic of China.

On the previous day, Britain severed relations with the Nationalist regime. The Chinese Nationalist Ambassador in London, Dr. Cheng Tien-hsi, was told of this decision on Thursday night by the British Minister of State Hector McNeil.

The British Commonwealth countries of Pakistan and Ceylon have also announced their recognition of the Chinese Central People's Government.

British recognition was contained in a message handed by the British Consul-General in Peking to the gov-

ernment there, addressed to His Excellency Chou En-lai, Minister for Foreign Affairs. Also on January 6, in Singapore, Mr. Malcolm MacDonald, High Commissioner for Southeast Asia, formally notified the Nationalist Consul-General of the recognition of the Central People's Government. It is reported that the Consul-General has closed his offices.

The official communication addressed to Foreign Minister Chou En-lai is as follows:

"Sir,—I have the honor to inform your Excellency that His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland, having completed their study of the situation resulting from the formation of the Central People's Government of the People's Republic of China, and observing that it is now in effective control of by far the greater part of the territory of China, have this day recognized that government as the *de jure* government of China. In these circumstances His Majesty's Government in response to Chairman Mao Tze-Tung's proclamation of October 1st, 1949, are ready to establish diplomatic relations on the basis of equality, mutual benefit and mutual respect for territory and sovereignty and are prepared to exchange diplomatic representatives with Central People's Government.

Pending the appointment of an Ambassador, Mr. J. C. Hutchison has been nominated as His Majesty's Charge d'Affaires *ad interim*. Accordingly I have the honor to request that you will receive him and transact business with him in that capacity and further that he may be granted all necessary facilities for the transfer of himself, his staff and archives of His Majesty's Embassy from Nanking.

(signed) Ernest Bevin

His Britannic Majesty's Principal Secretary of State for Foreign Affairs."

6th January, 1950.

Foreign Minister Chou En-lai, on January 9, replied to the British Government stating that the Central People's Government of China is willing to establish diplomatic relations with the Government of the United Kingdom of Great Britain and Northern Ireland on the basis of equality, mutual benefit and mutual respect for territory and sovereignty and accepts Mr. J. Hutchison as Charge d'Affaires *ad interim* to come to Peking as representative to conduct talks on the establishment of diplomatic relations between China and the United Kingdom.

Laté news reports say that Denmark and the state of Israel have announced their desire to establish diplomatic relations with the Central People's Government.

On British Recognition

MESSAGES from various centers reporting world reaction to the British Government's decision to re-

cognize the Central People's Government said that it has caused little surprise.

Paris—A French Foreign Office spokesman said that France could not recognize the Central People's Government until her Assembly had ratified the treaty granting independence to the Vietnam state headed by ex-Emperor Bao Dai.

The Hague—Holland and the new United States of Indonesia were holding consultations on the subject of recognition.

Tokyo—Japanese trade quarters forecast that British recognition would give a lead to other nations of Western Europe to take similar action without delay.

Hongkong—The British and Chinese communities generally welcomed British recognition, though an Army spokesman said that no early reduc-

tion could be expected in Hongkong's 30,000 garrison.

Brussels—Circles close to the Belgian government said "Britain's international understanding was better this time than that of the United States."

Melbourne—The Federal Cabinet was to discuss Australia's attitude in Canberra on January 9, a usually reliable source said.

Karachi—The Canadian Minister for External Affairs, Mr. Lester Pearson, said on his arrival here that he did not expect Canada to accord recognition until his return from Colombo about February 10.

Washington—Official circles said they expected that the United States would eventually follow Britain in recognizing China's Central People's Government—but not for some months.

Taipei—British recognition has not affected trade and communications between Hongkong and Taiwan, the official Kuomintang news agency reported.

Flying Arrow Shelled

REPORTS from Hongkong and London state that the American freighter *Flying Arrow* was intercepted by a Kuomintang warship off the mouth of the Yangtze. This warship opened fire and hit the *Flying Arrow* 14 times, setting fire to some of the cargo she had aboard.

The British frigate *Black Swan*, which was in the vicinity, came up and assisted in putting out the fire. The first reports stated that the

Tientsin Water Works Reports on First Year Under People's Government

THE Tientsin Water Works Company, Ltd., a Sino-foreign utility plant, has issued its annual year-end report, affording an example of how private business is faring in China. The company's report of its first year of operation under the People's Government showed a credit balance for the year, a reduction in water costs, and higher dividends than were paid under the Kuomintang. A program of expanding the waterworks is scheduled to begin this year.

The company's report, as summarized by the *Review's* Tientsin correspondent, Betty C. Chang, follows:

First, the ex-Japanese Concession waterworks were taken over, bulky meters replaced with resulting increase in pressure in that area from practically nil to full flow; leaks were repaired; installations were mapped. Financially, losses in that works were converted into profits which amounted to JMP8,000,000 in October and JMP5,000,000 in November.

Second, the company's financial condition was laid before the group representatives and workmen. Though water consumption for the year up to November was 6.9 percent less than for the corresponding 11 months of 1948, the net revenue was maintained because this year, in contrast to last, there are no bad debts. The People's Liberation Army and the Government officials are paying their bills.

By the end of October, the company's books showed a profit of JMP200,000,000 excluding share dividends, depreciation fund allowances, etc. which are figured a part of production cost. During the November price fluctuations, the company maintained rates steady with the object of not increasing the people's financial burden further that month. The result was a loss to the company of JMP300,000,000 in November

alone. By the end of December, however, there will be actually a sizable credit balance due to the new increase in water rates and the accumulated supplies laid in during the year for the extension program. These include 94 tons of reinforced steel, 20 tons of steel plates, one ton of wire, 250 tons of aluminum sulfate, and miscellaneous supplies, including tar and lubricating oils.

Third, regarding interest on shares, it was reported that dividends were paid in cash three times during the first 10 months of the year. Although the 1949 dividends are higher than those during the Japanese or KMT regimes, they are still very low. By paying at four and three month intervals rather than at the end of each month, the equivalent of 333,000 catties of millet, or 2.2 percent of the prewar standard, was paid shareholders rather than the equivalent of 685,000 catties of millet, or 4.7 percent of the prewar interest level. This rate of interest to shareholders is very small, but the management said it was hoped interest on shares might be increased in the future as the general economic conditions in China improve.

Fourth, it was pointed out that actual water prices have been substantially reduced during the year. The standard for fixing water rates has always been one kilowatt hour of electricity equivalent to 100 gallons of water. This past December, however, the water price has been less than half the former rate, comparing water with electricity prices. Also, average reduction in unit cost of production in the waterworks for the first 10 months of 1949 was given as 38.4 percent. Corollary with this was the average reduction in price of 48.8 percent. All figures are based on millet equivalent.

Lastly, the main project of the Tientsin Water Works Company for 1950—the first stage in the ex-

tension works, a program designed to meet Tientsin's growing water needs for from five to 10 years,—was also outlined in detail. From one-hird to one-half of the total program should be completed by the end of 1950. Imported supplies for the year's construction program have already arrived in China. The year's extension budget, as estimated on November 12, still lacks, JMP2,000,000,000, including costs of labor and additional local materials. The question of source of this sum carries over as one of the problems to be worked out in 1950. A long range view, of course, envisages public utilities under government control. But up to the end of the year there has been no clear and definite statement of government policy concerning the private Chinese and foreign capital invested in public utility companies. The board of directors has reached no decision on this question. The municipality has appealed for funds from the Central Government.

However, should no decisions be reached by these bodies, it was proposed that the company should finance the program independently, using its own savings, interest on shares, depreciation fund, etc., which are figured now to amount to JMP250,000,000 a month. At this rate it would take 10 months accumulated savings to finance the first year's projects.

It was acknowledged that there might be criticism from some sections of the people on the use of water receipts for the extension program, but it was also pointed out that the deputy director of the Public Utilities Bureau had made a statement in which he encouraged use of company savings for expansion purposes as had been done in the Soviet Union. The plan would thus devolve upon the workmen, demanding of them continued reduction in unit cost of production by consistently avoiding all waste and by constantly increasing efficiency, the report concluded.

Flying Arrow was still standing off the mouth of the Yangtze. Reports that the ship was no longer seaworthy were not confirmed.

The *Flying Arrow*, owned by the Isbrandtsen Lines, left Hongkong on January 6 in an attempt to break through the blockade into Shanghai. Eleven of her crew who were reluctant to make the trip signed off in Hongkong but were replaced. Her cargo was reported valued at US\$10,000,000 and among her passengers there were believed to be several women and an American newspaperman.

American sources say that the ship was fired upon after complying with warnings to stop and that she caught fire in the stern. Other reports say the engine room was hit.

The latest reports say that the stricken freighter will proceed, under American destroyer escort, to Tsingtao to discharge her valuable cargo. Damaged cotton in her holds is threatened by possible fire and other hazards, the ship's captain said in a radio message.

Request For Expulsion

THE Chinese People's Government requested, on January 8, the expulsion of Nationalist delegates from the United Nations Security Council, the *New China News Agency* reported.

The request was addressed to the President of the General Assembly, Philippines delegate Carlos Romulo, and to Mr. Trygve Lie, United Nations Secretary-General. It was signed by Foreign Minister Chou En-lai, and read as follows:

"This is to inform you that the Central People's Government of the People's Republic of China holds as illegal the presence of the delegates of the Chinese Kuomintang reactionary clique in the Security Council of the United Nations.

"The position of the Central People's Government of the People's Republic of China is that the said delegates be expelled from the Security Council.

"It is hoped that this position will be adopted and action taken accordingly."

The Soulful Mrs. Chiang

INTO a special microphone provided at a friend's home in New York by the National Broadcasting Company of America, Madame Chiang Kai-shek, one of the world's better known spendthrifts, accused Britain of buying and selling "souls" and making a bad deal. An expert on money matters, Madame Chiang said that Britain had "bartered the soul of a nation for a few pieces of silver." This, she said, was "morally wrong."

Madame Chiang was talking about the British Government's recognition of the Chinese Central People's Government.

Addressing the American people on the question of money, she said she stood "with empty but willing hands."

The lady is reported to be journeying to Taiwan where she and her husband are going to fight a "last-ditch battle."

Shanghai's *North China Daily News* commenting editorially on Madame Chiang's broadcast said: "The bitterness of her attack on Britain must be accepted as a measure of her own grievous disappointment, and it is possible that, had she given calmer thought to what she was to say, she would have hesitated about the reference to the pieces of silver. There has been betrayal of this country for such currency. She will best know

who sought to profit by that betrayal, and who, in fact, carried it out. Faced with the ineluctable facts of the past 23 years the Kuomintang stands where it does. Mme. Chiang has merely held a mirror up to it."

The State of the Union

PRESIDENT Truman began his state of the union message, presented to Congress on January 4, by saying: "A year ago I reported to this congress that the state of the union was good. I am happy to be

Chinese Papers Say:

Democratic League can make important contribution; huge tasks lie ahead for the year 1950.

THE *Ta Kung Pao* on December 30, 1949 congratulated the Democratic League on the occasion of the conference of its Central Committee in Peking. At this conference a general summary of League activities was drawn up and the League constitution was revised.

"As one of the principal components of the United Front," the *Ta Kung Pao* said, "the China Democratic League has to shoulder important responsibilities in taking its part in the present regime of the people's democratic dictatorship. . . The League's principal task is to unite the broad intelligentsia masses, the liberal industrial and commercial elements, and the democratic patriotic elements of the overseas Chinese, in the march towards progress."

The article goes on to say that the League is assured of future development and will make important contributions to the people's democratic dictatorship.

The League itself in summarizing its activities stated: "The closer we are allied to the Communist Party, the better shall we be able to learn in all due modesty from the Communists, the stronger shall be our organization, the larger shall be the scope of our work, the larger our influence, and the more shall we be able to fulfil our revolutionary mission."

Welcome 1950

The *Giefang Rhbao* on January 1, 1950 reviewed the gigantic developments of 1949 and then turned its attention to 1950 which it said will be the year in which the people's war of liberation will attain success on a national scale. At the same time, "as a result of the necessities of mopping up the enemy remnants at home, of shattering the armed blockade of the KMT and of the imperialists, of administering badly needed relief for serious natural calamities, of healing the ravages of war, and of carrying out all possible and necessary programs of reconstruction, 1950 will also be a year of comparatively greater economic difficulties in the course of progress towards final victory."

The article goes on to outline and discuss in detail the tasks facing the country in 1950:

"1. It is imperative to liberate Taiwan and the whole of East China, as well as to cooperate . . . for the successful liberation of the whole of China. . .

"2. To strengthen our program of urban activities. In this respect, complete faith should be put in the working class for the consolidation of all laboring masses together with all revolutionary classes so as to implement thoroughly Chairman Mao's fundamental policy of achieving the development of production and economic prosperity as well as to carry out resolutely the policy of 'equal attention to public and private interests,' of 'benefiting both labor and capital,' of 'urban-rural aid,' and of 'interflow of supplies between various localities.' . .

"3. To develop production, to surmount natural calamities, to carry out a thorough reduction of rentals, and to prepare for the implementation of agrarian reforms in a well planned manner. . .

"4. Aside from taking an active part in military operations, the PLA of East China will take part in 1950 in the work of production so as to improve their own livelihood, to decrease governmental expenditures and to reduce the burden of the people. . .

"5. To be determined in giving support to the national budget together with the decision for the issuance of Victory Parity Unit Bonds. . .

"6. Due importance shall be attached to the Representatives' Conference of All Groups of the People by doing everything possible to make them successful. As shown by experience, the Representatives' Conference of All Groups of the People is the best possible organizational form for enabling the People's Government to keep in close contact with the masses and for mobilizing the broad masses to assist the Government in the successful implementation of revolutionary movements and programs of reconstruction."

Chinese Magazines Say:

How the People's Law is implemented in Harbin: fewer criminal cases; foreigners accorded equal rights with Chinese; prisons emphasize rehabilitation.

"THERE seems to have been a prevailing misconception that no law is enforced in the liberated areas, and that no legal codes exist," Professor Chu An-ping, Editor-in-chief of *Kuan Cha* (Observer) comments in a recent issue. "As a matter of fact, there is the most rigid respect for the law there."

Professor Chu An-ping's article deals specifically with judicial administrative policy as implemented in Harbin. "Harbin," he recalls, "has been notorious in the past as an international city of crime," but with the greatly improved social conditions following the take-over, crime has steadily declined. The first People's Court of Harbin, he reports, was established late in 1946. In 1947, 2,055 criminal cases were heard, while in 1948 this figure was reduced to 1,827, that is, by 11 percent, and the number of convicts admitted to the jail showed a decrease of 25 percent. Civil cases, on the other hand, show an increase which is due to the adoption of new legal and moral standards ensuring the equality of the sexes and the protection of women and children.

Though a unified legal system for the whole of China has still to be evolved and waits upon the conclusion of the liberation war, says the writer, the People's Court of Harbin proceeds with everything on a legal basis. "Generally speaking, the Northeast Administrative Program is the basic law for the Northeast today. In individual matters, there are the regulations for the Protection of Human Rights to deal with cases affecting property and human rights. There is the Outline of the Land Law adopted by the Central Committee of the Communist Party for dealing with land problems. There are the regulations for the disposal of debts issued by the Northeast Political Commission for dealing with debt obligations. Of course, these are unilateral regulations, and, in due course, national laws and regulations, when issued, will be conformed with."

The judiciary system still in force in the Northeast, reports the professor, provides for three grades of law courts, the first court of trial being the hsien, or municipal court, the second the provincial court, with the Northeast People's Court as the final tribunal. "The system of the employment of legal counsel has not been officially abolished," he states, "but in Harbin lawyers have been temporarily banned from practice in view of the fact that under existing circumstances the services of such counsel, if allowed, would be available only to the few privileged rich." The Court, meanwhile, he

states, provides a Petition Writing Office, which serves the litigant free or for a very low fee. Cases may also be stated verbally and taken down in writing by a legal functionary. Petition writers are also provided for inmates of prisons.

The adoption of simple, straightforward methods of presentation and the elimination of highly paid counsel seems to have resulted in a marked cutting down of the time required to review each case. "About 90 percent of all cases are normally dealt with within a month," reports the writer. "The old phenomenon where a litigation drags on for years, and even passes from father to son, is being eliminated."

In a section on cases affecting foreign nationals, Professor Chu An-ping states: "Of Harbin's population of 800,000, there are 30,000 foreign residents, of more than 20 nationalities, with Soviet and Polish nationals predominant. . . . In dealing with cases involving foreign nationals, the Court upholds the principle of the independence of national sovereignty, the equality between various peoples, and the spirit of internationalism espoused by the working people. Any party who abides by the laws and regulations of the People's Government is protected, and conversely, any party who violates these laws is punished. In a hearing involving foreign nationals, the judge speaks Chinese, but the litigant is permitted to speak in his own language and an interpreter is provided for him. Of the 253 cases heard in 1948 affecting foreign nationals, the litigants included nationals of the Soviet Union, Korea, Poland, Hungary, Japan, Iran, Turkey, Italy and Greece; and if non-litigant cases coming to the attention of the court are also included, Yugoslavia, Portugal, Germany, France, Britain and the United States were represented—in all, nationals of no less than 15 countries."

Discussing "the approach to the problem of prisons" Professor Chu says that in the new social order a complete change of attitude towards prisoners has taken place. While, under the old system, "the prison was a place of terror and darkness" and "people were terrorized into abstinence from crime," the new principle is active rather than passive. "Prisoners are treated humanely, their crimes are explained to them, they are educated and after reform given an opportunity to lead a new life." He says that projects are attached to the prisons wherein new trades may be learned. These factories are not only operated by the convicts themselves but also managed by them.

able to report to you today that the state of the union continues to be good."

In the sphere of foreign policy, the President said, the United States had "taken important steps in securing the North Atlantic community against aggression" and supported European recovery and the United Nations.

In domestic affairs, "We have met and reversed the first significant downturn in economic activity since the war...major readjustments have been made without widespread suffering."

Speaking of the world situation of the United States, he said, "Among all the great changes that have occurred in the last 50 years, none is more important than the change in the position of the United States in world affairs." Now, "Even the slightest changes in our economic and social life have their effect on other countries all around the world. Our tremendous strength has brought with it tremendous responsibilities. We have moved from the other edge to the center of the world."

President Truman said that the objective of the United States was peace, that in foreign policy it could never be tolerant of oppression or tyranny and that it would give wholehearted support to the United Nations. He added that ECA must be continued, that the United States should do all it could to expand world trade and to "provide for increasing the flow of technical assistance and capital investment to under-developed regions." He said that such a program would "require the movement of large amounts of capital from the industrial nations, and particularly from the United States."

Commenting on communism, the President said, "For my part, I welcome the challenge." Communism, he said, "is a challenge to the efficiency and stability of our economic system. It is a challenge to our willingness to work with other people for world peace and world prosperity."

Predicting that the real income of the average American family might be increased three times by the year 2,000 A.D., he said that one requirement for this was that, "Businessmen must continue to have the incentive necessary for investment and for the development of new lines of enterprise." Remarking that the number of independent businesses should increase, he said, "If the number does not increase, our constantly growing economy will fall under the control of a few dominant groups whose powers will be so great that they will be a challenge to democratic institutions."

The President said that there should be assistance to farmers, better housing, strengthening of unemployment compensation and rent control. He referred to "the ill-considered tax reductions of the 80th Congress," adding that the Government was not receiving enough revenue to meet its necessary expenditures.

Of the future, in conclusion: "We should ask for continued strength and guidance from that almighty power who has placed before us such great opportunities for the good of mankind in the years to come."

LETTERS

(Continued from Page 101)

a further statement by your publication on this matter will be greatly appreciated.

Such a statement, we feel, will help greatly in promoting friendly understanding and goodwill among the peoples of these two great countries, who, above all things, desire to help bring about and maintain peace among all peoples.

DWIGHT RUGH

Representative of the Trustees of
The Yale in China Association,
in China

Changsha
December 27, 1949

A GREAT DISSERVICE

To The Editor:

Although your December 17 issue arrived the 24th, it was not until this morning that I read the article on page 49 entitled "Anti-Communist China Committee Formed in US."

I certainly do not support, in fact I strongly object to, the declarations of "The Committee to Defend America by Aiding Anti-Communist China." Most of the American missionaries, teachers and doctors that I know here in China would also disapprove of the above Committee's program. The members of the above Committee have a right to express their opinions, but I believe they are doing a great disservice to both

the Chinese and the American people. Christian work and attempts at international cooperation and understanding are fraught with innumerable difficulties. One of the greatest causes of misunderstanding is inaccuracy and slanting of information because it intensifies prejudice.

In that regard, some misunderstanding might have been avoided by your magazine if the dates of the original World Telegram article and also of the Committee's declaration had been given. If the article was written half a year ago in June 1949, then Dr. Wheeler could have been listed as "secretary of Yale in China" for his term as executive secretary did not expire until July 15, 1949. If the Committee made its declaration recently, it had no right to claim Dr. Wheeler as "secretary of Yale in China" because Mr. Reuben Holden has been secretary since mid-July.

I believe that individuals should have the right to join whatever organizations they wish, but it should be clearly understood that in their individual capacities they do not represent the organizations for which they work unless those organizations have decided on the particular issues involved. Dr. Wheeler represents himself and not the Yale in China Association.

As a Christian, pacifist, and a democratic socialist, I am aware that there is considerable misunderstanding, emotional thinking, and prejudice which sometimes make it difficult to consider other people as fellow human beings—not as stereotypes based on class, nationality, race, religion or sex. Let us remember that the members of the above Committee speak for themselves and do not represent their organizations, nor, necessarily, the thousands of other Americans who have sought, and still are seeking to cooperate with their Chinese friends in important service in China.

The constructive educational and medical work carried on for more than 43 years by Yale in China institutions is well-known. The Yale in China Association, a private, non-political organization of American Christians, mostly from Yale University, provides the opportunity for Americans to share with their Chinese friends in seeking to serve the educational and medical needs of the people of Central China. I believe there continues to be great opportunity for such friendly and sincere international cooperation between the American and Chinese peoples in this period of New Democracy.

EDWARD A. MANICE

Yale Union Middle School
Changsha
December 26, 1949

(The date of the original clipping from the New York World-Telegram was October 27, 1949, a little more than three months after the date given by Mr. Rugh and Mr. Manice, the writers of the two foregoing letters, as the time when Dr. W. Reginald Wheeler ended his service as secretary of Yale-in-China. However, the clipping does not give the date of the formation of the "Anti-Communist China Committee," merely being a press report of the launching of a "nation-wide campaign" by the "Committee," which, presumably, must have been formed at some previous date. Perhaps the best thing to do under the circumstances would be for Mr. Rugh or Mr. Manice, or other interested friends of Yale-in-China to write to Dr. Wheeler, pointing out the error in the clipping and asking for more information. At this distance, it is plainly impossible to do more than speculate about the date when the "Anti-Communist China Committee" was formed and/or the date when Dr. Wheeler joined the group. Such an inquiry, further, would clear up whether the World-Telegram made a mistake by misplacing the word "former" or whether the "Committee" is erroneously listing Dr. Wheeler's present affiliations in its official membership roster. We agree that all too often reports of activities at home of former colleagues or friends in China are embarrassing. Most Americans still residing in China, we believe, feel this way when they listen to the version of life in China as broadcast by the Voice of America. The best remedy we can suggest is for foreign friends of China—particularly Americans since the US is the major lone holdout against recognition—to write more letters to friends and relatives at home, telling them of the actual conditions of life and work in China today.—Editor)

The Week's Business

Approach of lunar New Year boosts prices but trading corporations initiate heavy sales of supplies; rail lines open from Peking to Canton.

A BULLISH trend developed in the local market during the first week of 1950. In general the money situation was easy, and the interest rate on call loans low. To regulate supply and demand and maintain quotations, the local state trading corporations sold large quantities of supplies during the week.

The wholesale commodity price index climbed up from 12,675 on January 4, the first day that the market resumed tradings after the New Year, to 13,467 on the week-end, averaging an index of 12,987 for the whole week, or an increase of 9.3 percent over the previous week.

Rice prices increased the most, followed by cotton yarn and cloth. There were also commodities such as sugar, however, which registered declines in quotations.

Contributing to this upward tendency is the approach of the lunar New Year when the demand for commodities usually becomes heavier owing to the release of the New Year bonus to employees. Another factor lies in the fact that a margin of disparity exists between the commodity prices of Shanghai and of outports.

In the case of rice, for instance, the prices in producing areas were higher than in Shanghai, so that the increase was to be expected.

In coping with the increased demand in the market to maintain quotations at normal level, the state trading corporations in Shanghai sold supplies heavily, and during the four days of the week from January 4 to 7, the Shanghai Food Corporation supplied 128,467 piculs of rice, an increase of 90 percent over the previous week. The volume of cotton cloth sold, reaching a figure of 32,000 bolts, more than doubled that of the previous week.

A steady rice supply for the city is being arranged by the People's Government. Around 50,000 tons of rice are scheduled to be sent

here from the Northeast, and part is already en route. Szechuen will also ship some 200,000 tons of rice to Shanghai.

The People's Victory Bonds were first issued in Shanghai on January 6, two days after the resumption of business by local banks. A considerable amount of money is understood to have been turned in to the People's Bank both through the purchase of bonds by the public and the payment of business tax. By Tuesday, January 10, the financial market showed signs of stringency.

On that day, three local native banks, the Hong Chong, the Yi Ta and the Hsin Ho, were ordered to suspend business for failure to make up deficiencies in clearing accounts.

The East China Branch of the People's Bank recently circularized local private financial houses to set aside between 40 and 50 percent of the net profit of 1949 as reserve. This has been agreed upon by both the management and labor of these banks. This move on the part of financial authorities has thus created the necessary factors conducive to the strengthening of capital resources and credit of banking establishments as well as assisting productive enterprises. A number of the local private banks will probably make use of a portion of the profits to buy Victory Bonds.

Traffic was officially resumed on Thursday on two important railways, the Peking-Hankow and Canton-Hankow lines.

Quotations

Following is a listing of representative commodity prices for the past week:

	Jan. 4 JMP	Jan. 11 JMP
Parity Unit	3,054	3,851
US dollar (note)	18,500	18,500
20's yarn	3,250,000	3,500,000
12-lb. cloth	140,000	153,500
Rice, 1st grade	142,000	185,000
Peanut oil	320,000	365,000
Coal briquette	21,500	26,000

Slang and Idioms

* * *

(**Law-abiding** people are people who obey and comply with the law. **Inalienable** rights are basic rights guaranteed a people in the constitution of a nation. To **flout** means to disregard or ignore. A **flagrant** violation is a clear-cut, open violation. The **Bill of Rights** is the list of liberties guaranteed the people in the first ten amendments to the Constitution of the United States.)